



# WRS Retirement Benefit Calculations

A Wisconsin Retirement System topic



# Objectives

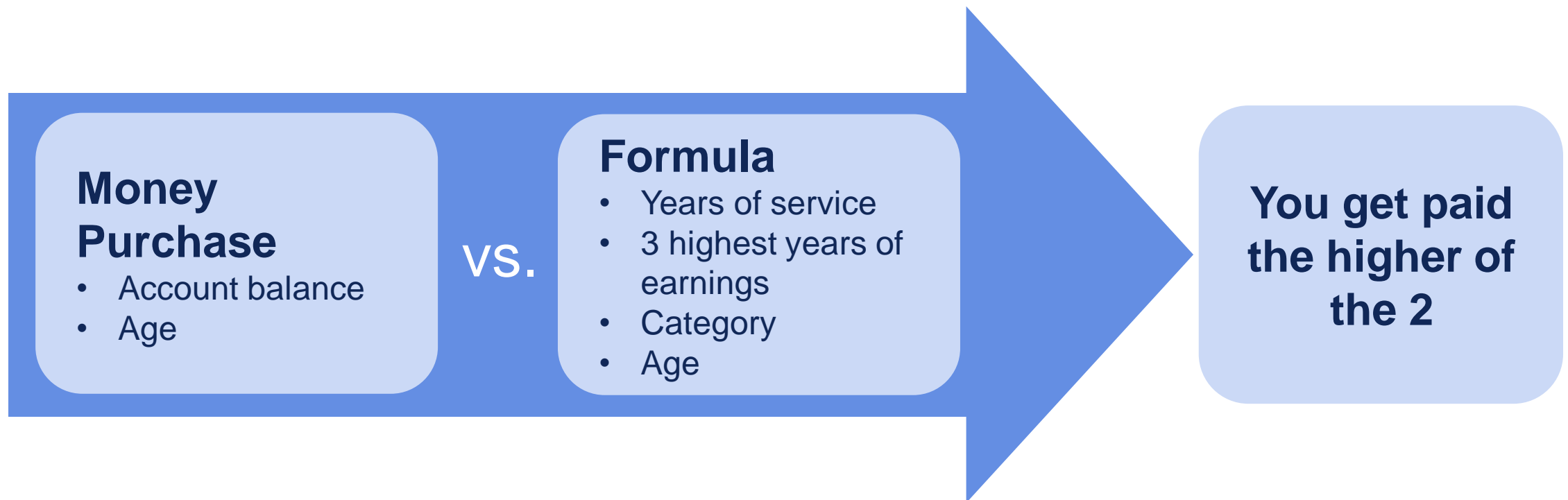
**By the end of this presentation, you will be able to:**

- Explain the individual components of the two retirement benefit calculation methods
- Describe what affects your WRS retirement benefit for each type of calculation (money purchase and formula)



# Definitions

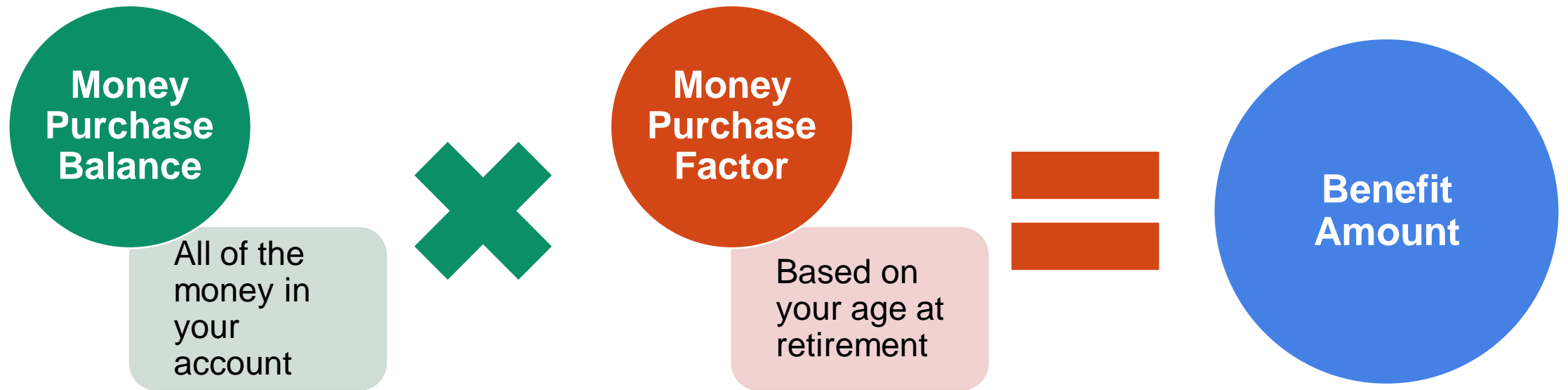
# Calculating Your Benefit





# Money Purchase Calculation

# Money Purchase Calculation Math

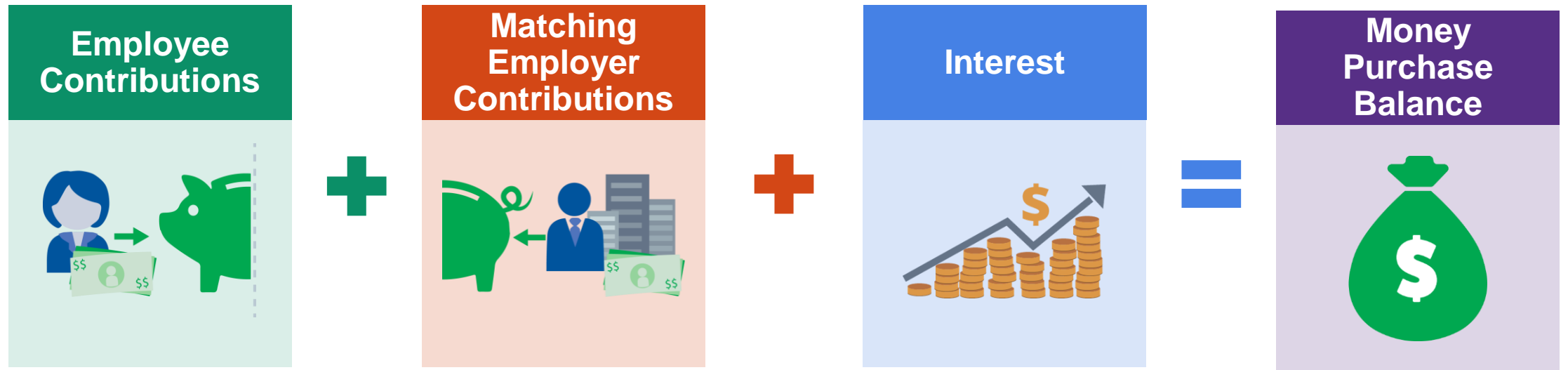




# Money Purchase Example

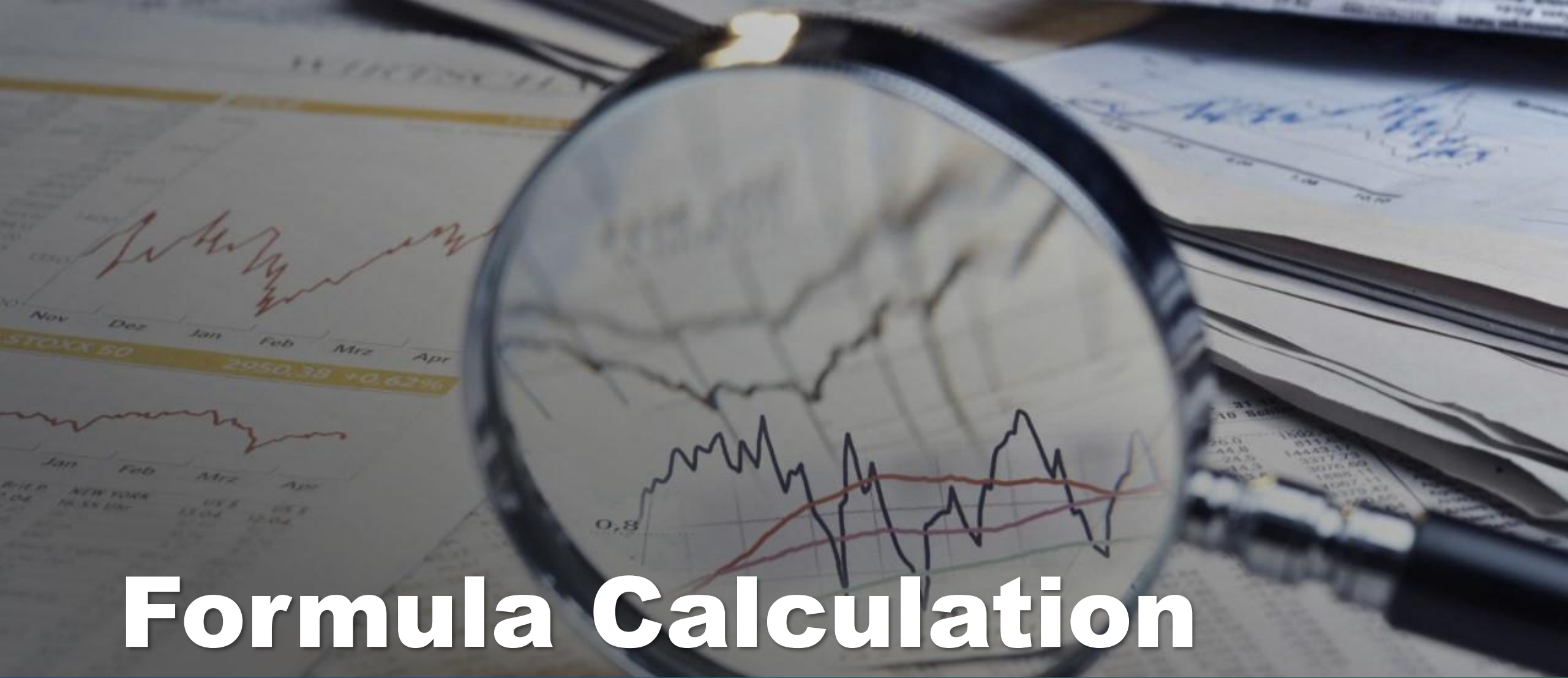
Description	Total
Money Purchase Balance at retirement	\$215,000.00
Money Purchase Factor (age 56 years, 4 months)	X 0.00563
“For Annuitant’s Life Only” annuity option	\$1,210

# Money Purchase Balance Calculation



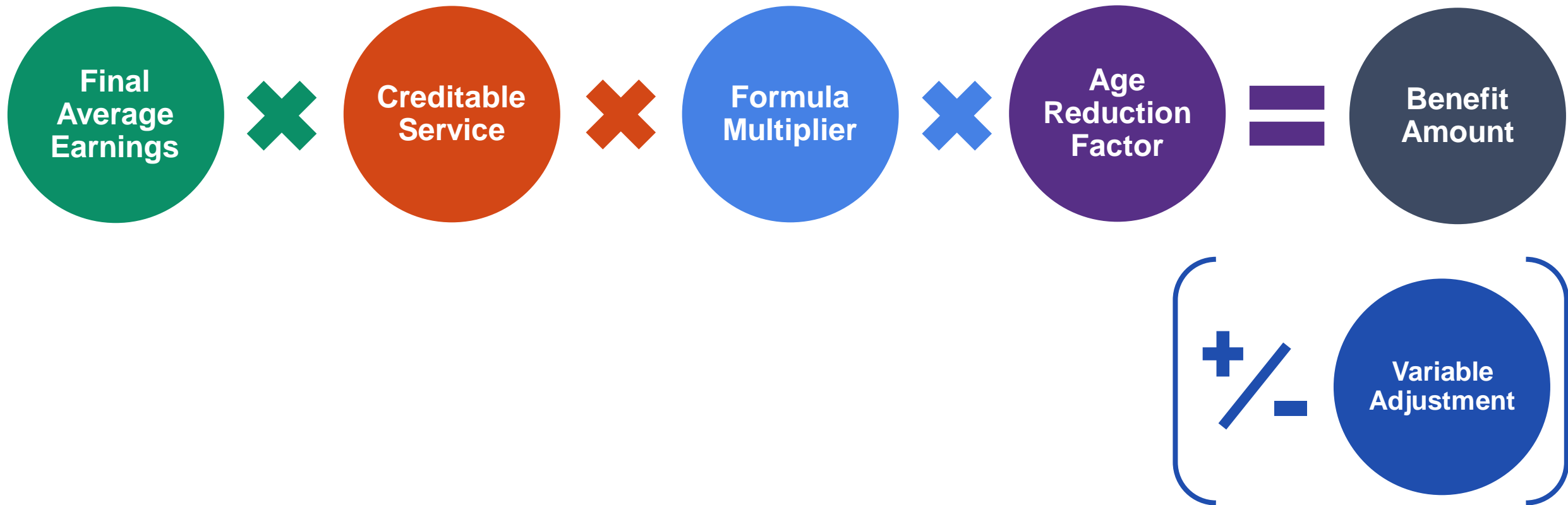
Balances as of the benefit effective date can be all Core contributions or a combination of Core and Variable contributions



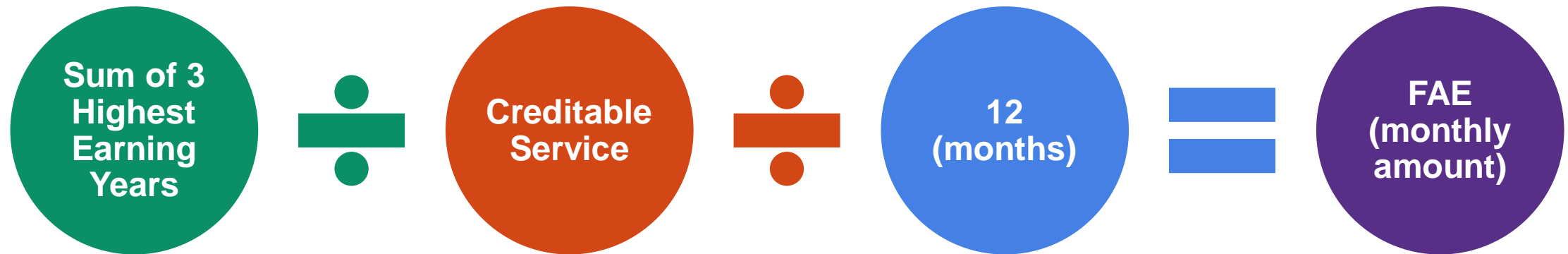


# Formula Calculation

# Formula Calculation Math



# Final Average Earnings (FAE)



For example:  
1981, 2002,  
and 2021

# Years of WRS Creditable Service

**1.00 max in a  
year**

Calendar/Fiscal

**1,320 hrs**

= 1.00  
creditable  
service for  
teachers

**1,904 hrs**

= 1.00  
creditable  
service for  
everyone else

# Additional WRS Creditable Service

## Active-Duty Military Service



## Purchased Creditable Service



Forfeited or  
Other Governmental Service

# Formula Multiplier

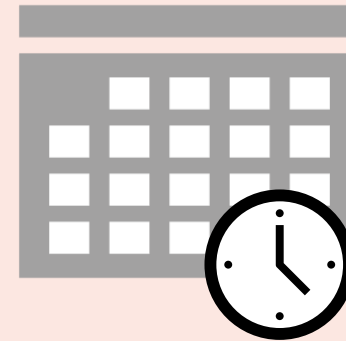
Employment Category	Before 2000	After 1999	After Act 10 (effective in 2011)
General, Teachers, and Education Support	.01765	.016	n/a
Protective with Social Security (police, prison guards, sheriffs, deputies)	.02165	.020	n/a
Protective without Social Security (most firefighters)	.02665	.025	n/a
Elected Officials, State Executive Retirement Plan Employees, and Judges	.02165	.020	.016

# Age Reduction Factors

**Retire before  
Normal Retirement Age**



**Reported years of  
service and service  
hours**





# Retirement Ages

## Minimum Retirement Age



↑ Age reduction

Earliest age  
you can begin  
receiving a  
benefit

## Normal Retirement Age



Age you can  
begin receiving  
a benefit with  
NO age  
reduction factor

# Employment Categories

## General Employees and Teachers



**Minimum Retirement  
Age (MRA)** 55

**Normal Retirement  
Age (NRA)** 65

## Executive/Elected Official/Judges



**MRA 55**

**Before** **NRA** **After**  
**← Jan. 1, 2017 →**  
62 65

## Protective Occupation Employees



**Minimum Retirement  
Age (MRA)** 50

**Normal Retirement  
Age (NRA)** 54

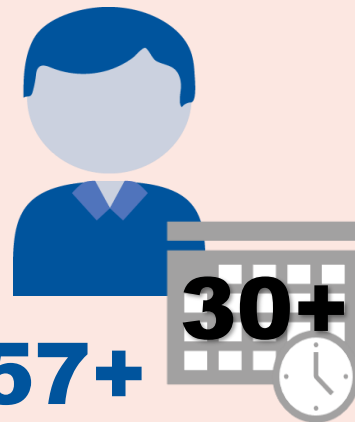
# No Age Reduction Factors

## Normal Retirement Age



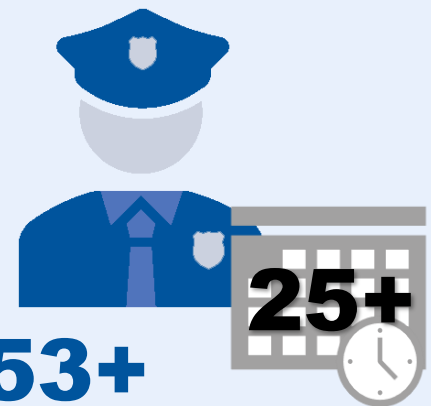
**65+**

## Age & WRS Service



**57+**

## Protective Service Category



**53+**

# Variable Adjustment Factor



# Variable Excess or Deficiency

The total Variable excess or deficiency amount is based on a comparison of the actual balance of your account vs. what your account balance would be if your contributions had been invested only in the Core Fund

Variable Adjustment Calculation	
Total Variable Excess	\$4,263
Money Purchase Factor (based on your age)	x .00563
<b>Variable Adjustment</b>	<b>\$24</b>

# Formula Calculation Example

Formula Calculation		Example	
Final Average Earnings (Monthly)		\$3,625	
		Pre-2000	Post-1999
Formula Factors		x 0.01765	x .016
WRS Creditable Service		x 13.35	x 13.91
Subtotal		\$1,673	
Age Reduction Factor		x 0.885	
Subtotal		\$1,481	
Variable Excess or Deficiency		+ \$24	
Benefit Amount ("For Annuitant's Life Only" Option)			= \$1,505

# Summary

## Money Purchase Calculation

**Total account balance**

**Age at retirement**

**Variable fund dollars are included  
in your account balance**

## Formula Calculation

**Three highest years of earnings**

**Total amount of service**

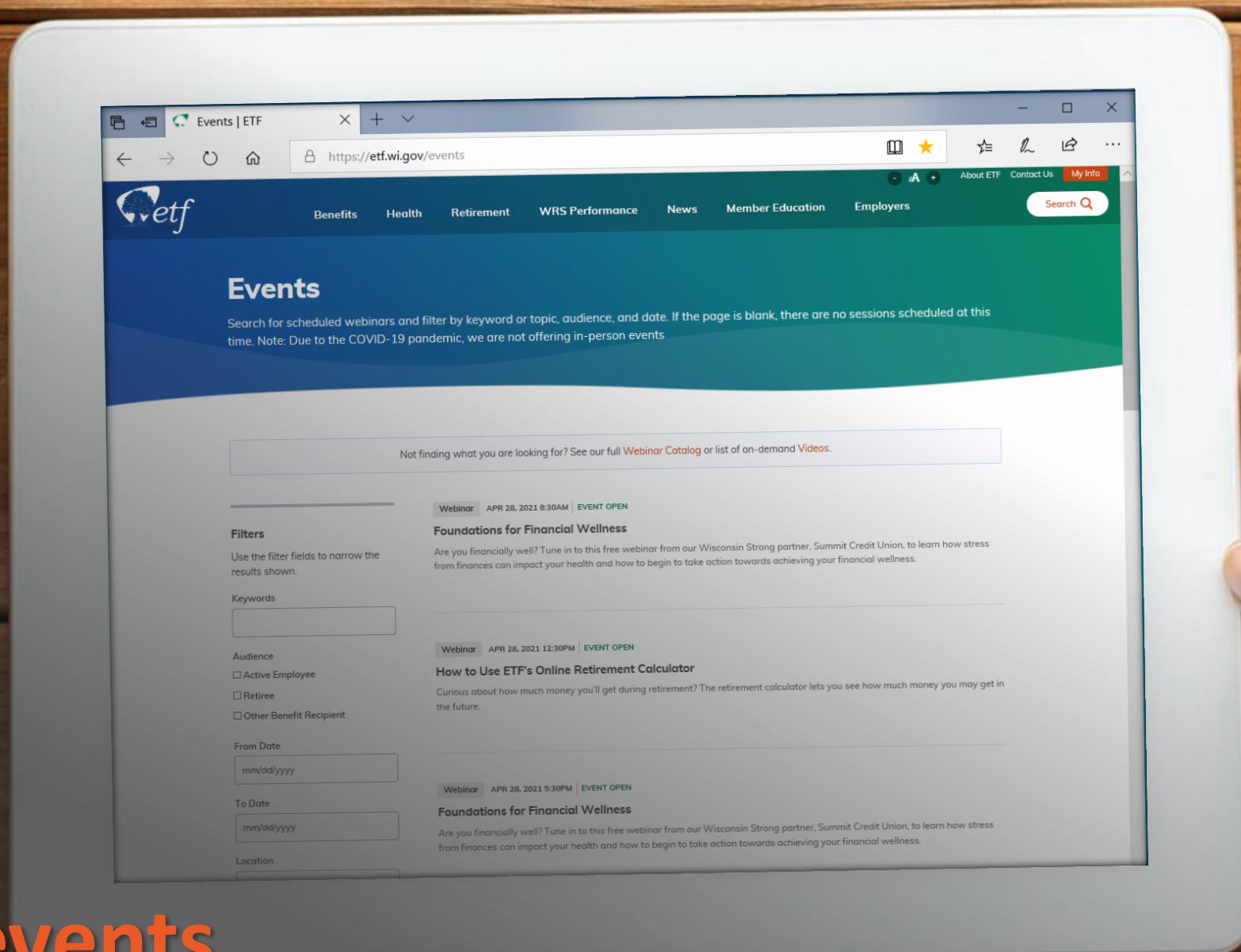
**Age at retirement**

**Variable fund adjustment calculated  
based on excess or deficiency**



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